

**CITY OF GREENBELT, MARYLAND
MEMORANDUM**

TO: City Council

VIA: Michael P. McLaughlin *MPM*
City Manager

FROM: David E. Moran *DEM*
Assistant City Manager

DATE: July 20, 2016

SUBJ: Renter's Tax Credit – CAR 2015-45

Inactive City Program

Section 19-2 of the City Code provides for a grant program for renters based on age and income. Under this program, renters age 65 and older with a household income of \$5,000/year or less are eligible for a grant. This Code section was adopted in 1973 (Ordinance 756). It is unclear when/why this program became inactive, but it has been at least 25 years.

State Program

The State of Maryland has a Renters Tax Credit for very low income persons of up to \$750 per year. Eligibility is based on the renter's household income, net worth and monthly rent excluding utilities for seniors or disabled residents. For other residents under 60, the number of dependents and receiving no Federal or State housing subsidy are additional eligibility factors. Attached is the State's application form.

Since property tax is directly paid by the property owner and not the renter, the State assumes that 15% of the monthly rent is for property tax. There is a formula based on the renter's income to determine the credit amount. The State pays this amount by check.

According to the State Department of Assessments and Taxation, in 2015 there were 24 recipients of this credit in the 20770 zip code receiving a total of \$6,220. The average payment was \$259 so the payment varies with each applicant based on their income and rent situation. It is possible some of these recipients are not within Greenbelt's corporate limits.

County Program

In 2015, Prince George's County enacted CB-95-2015 establishing a similar program called the Renter's Property Tax Relief Supplement. Under this program if a County resident is eligible for the State Credit, the County will pay 50% of the State payment. The County will begin their program in 2016. An application will not be required and the County will issue checks for half the amount of the State credit.

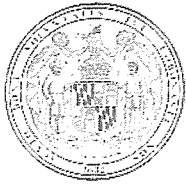
New City Program

The City could establish an updated Renter's Tax Credit/Grant program utilizing the same criteria as the State. Our program could match the State credit or provide a percentage of the State credit (i.e. 50% which the County is doing). The actual dollar cost to Greenbelt would be small - \$6,220 or less, given the current participation.

There would be some workload impact to the Finance office including: coordinating with SDAT, issuing checks, etc. The City Treasurer recommends that if Greenbelt implements a new program, it should mirror the County program.

Section 19-2 of the City Code should be repealed and replaced consistent with the parameters of any new City program.

cc: Jeffrey Williams, City Treasurer



State of Maryland
Department of Assessments and Taxation
www.dat.maryland.gov

2016 MARYLAND RENTERS' TAX CREDIT

INSTRUCTIONS AND APPLICATION

Form RTC-60

➔ Filing Deadline - September 1, 2016 ➔

The State of Maryland provides a direct check payment of up to **\$750** a year for renters who paid rent in the State of Maryland and meet certain eligibility requirements.

- Renters age 60 and over or those 100% disabled as of December 31, 2015, see CHART 1 below.
- Renters under age 60, who have one or more dependents under the age of 18 living in their household and who do not receive Federal or State housing subsidies or reside in public housing, see CHART 1 & 2.

CHART 1 - AGE 60 OR OLDER OR 100% DISABLED.

If you are age 60 or older or 100% disabled, use this chart to see if you should file an application to have the State determine your eligibility.

1. Find your approximate 2015 total gross household income in Column A.
2. If your monthly rent is more than the figure in Column B across from your income, you may be eligible and are encouraged to apply.

(A) 2015 Total Gross Income	(B) 2015 Monthly Rent	(A) 2015 Total Gross Income	(B) 2015 Monthly Rent	(A) 2015 Total Gross Income	(B) 2015 Monthly Rent
\$1 - 5,000	14	\$10,000	\$117	\$15,000	\$303
6,000	28	11,000	147	17,000	394
7,000	42	12,000	178	20,000	544
8,000	56	13,000	219	25,000	794
9,000	86	14,000	261	30,000	1,044

EXAMPLE: Mary Jones, age 67, had a \$9,964 income in 2015 and she paid \$245 per month rent. She also paid all her own utilities. With an income close to \$10,000 and rent that is more than \$117 per month, Mary Jones should apply for the credit.

CHART 2 - UNDER 60 YEARS OF AGE.

If you are a renter under the age of 60 who, during 2015 had at least one dependent under the age of 18 living with you **AND** you did not receive Federal or State housing subsidies or reside in public housing, **AND** the combined income of all residents of your dwelling is below the following guidelines, you are encouraged to apply.

Persons in Household (Includes Applicant)	2015 Gross Income Limit	Persons in Household (Includes Applicant)	2015 Gross Income Limit	Persons in Household (Includes Applicant)	2015 Gross Income Limit
2	\$16,317	5	\$28,695	8	\$40,968
3	\$18,850	6	\$32,473	9	\$49,021
4	\$24,230	7	\$36,927		

Note: If you qualify based upon the income limits above, the State will determine your eligibility using the formula comparing rent and gross income.

EXAMPLE: George and Robin Smith, ages 34 and 33, have two dependents under the age of 18. The total household income for 2015 was \$16,200. In 2015 they paid \$500 per month rent and they paid all their own utilities. Since their income is below \$24,230 (see Chart 2 on this page), the Smiths should apply for the credit.

- The rent in Chart 1 assumes that you pay all your own utilities separate from the monthly rent. If the rent includes gas, electric or heat, you may need to have as much as an 18% higher monthly rent to qualify for a credit.
- Trailer park residents are advised to submit an application and allow this office to determine eligibility.
- Chart 1 is a guide only, and the exact amount of your income and rent will be used to determine your eligibility. If you submit an application, the State will determine your eligibility.

READ THIS IMPORTANT INFORMATION BEFORE COMPLETING THE APPLICATION

1. WHO CAN FILE?

AGE 60 OR OVER OR 100% DISABLED

In order to be eligible for a 2016 Renters' Tax Credit, the applicant must meet ONE of the following requirements.

- have reached age 60, on or before December 31, 2015 **OR**
- be 100% totally and permanently disabled as of December 31, 2015 and submit proof of disability from the Social Security Administration, other federal retirement system, the federal Armed Services or the local City/County Health Officer, **OR**
- be the surviving spouse of one who otherwise could have satisfied the age or disability requirement.

UNDER 60 YEARS OF AGE

In order to be eligible for a credit, an applicant must meet **ALL** of the following requirements:

- had at least one dependent under the age of 18 living with you during 2015 **AND**
- did not receive Federal or State housing subsidies in 2015 **AND**
- your 2015 total gross income was below the limit listed in Chart 2 on the first page of this form.

Applicant must provide a copy of the child's social security card and birth certificate.

If the applicant files a Federal return, the eligible dependent(s) must be listed on the Federal return in order to apply for this credit.

2. REQUIREMENTS FOR ALL APPLICANTS

Each of the following requirements must be met by every applicant:

- the applicant must have a bona fide leasehold interest in the property and be legally responsible for the rent;
- first time applicants, and prior year applicants who moved in 2015 must submit a copy of their 2015 lease(s), rental agreement, cancelled checks, money order receipts, or other proof of rent paid. Other applicants must submit a copy upon request;
- the dwelling must be the principal residence where the applicant resided for at least six months in Maryland in calendar year 2015,
- the dwelling may be any type of rented residence or a mobile home pad on which the residence rests, but it may not include any unit rented from a public housing authority or from an exempt organization;
- the applicant, spouse and/or co-tenant must have a combined net worth of less than \$200,000 as of December 31, 2015.

An individual applicant may later be requested to submit additional information to verify what was reported on the application. This request may include a statement of living expenses when it appears that the applicant has reported insufficient means to pay the rent and other living expenses.

3. SPECIFIC INSTRUCTIONS FOR CERTAIN LINE ITEMS

ITEM 14 - SURVIVING SPOUSE

If you are filing as the surviving spouse of a person who would have met the age requirement, include a copy of his/her death certificate. If your spouse was disabled, include a copy of their death certificate and proof of disability.

ITEM 19 - SOURCES OF INCOME

All nontaxable sources of income such as retirement benefits, also must be reported here. The tax credit is based upon "total income", regardless of its source or taxability. Public assistance, government grants, gifts in excess of \$300, expenses paid on your behalf by others, and all monies received to support yourself must be reported.

You must report room and board, household expenses, or the gross income of any other nondependent occupants. Co-tenants cannot pay room and board.

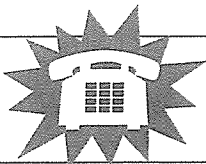
Applicants who receive Public Assistance must provide a copy of the 2015 AIMS Public Assistance letter showing dependents and benefits received.

ITEM 20 - RENT YOU PAID

List only that amount of rent you actually paid and do not include subsidies paid on your behalf such as HUD/Section 8 payments. Do not include monthly fees for any services such as meals, pet fees, garage charges, late charges, security deposits, etc. If you live in a home in a trailer park, report only the rent you paid for the trailer pad or lot.

ITEM 23- PERJURY OATH/SOCIAL SECURITY RELEASE

By signing the form, the applicant, spouse and/or co-tenant is attesting under the penalties of perjury as to the accuracy of the information reported and that the legal requirements for filing have been met. In addition, the signature also authorizes the listed government agencies, Credit Bureaus and the landlord to release information to the Department in order to verify the income or benefits received and rental terms reported by the applicant.



If you need further information or free assistance in completing this application form, please call 410-767-4433 in the Baltimore metropolitan area or 1-800-944-7403 (toll free) for those living elsewhere in Maryland.

PRIVACY AND STATE DATA SYSTEM SECURITY NOTICE

The principal purpose for which this information is sought is to determine your eligibility for a tax credit. Failure to provide this information will result in a denial of your application. Some of the information requested would be considered a "Personal Record" as defined in State Government Article, § 10-624 consequently, you have the statutory right to inspect your file and to file a written request to correct or amend any information you believe to be inaccurate or incomplete. Additionally, it is unlawful for any officer or employee of the state or any political subdivision to divulge any income particulars set forth in the application or any tax return filed except in accordance with judicial legislative order. However, this information is available to officers of the state, county or municipality in their official capacity and to taxing officials of any other state, or the federal government, as provided by statute.

FILING DEADLINE IS SEPTEMBER 1, 2016



**State of Maryland
Department of Assessments and Taxation
Renters' Tax Credit Application**

2016

1. <input type="checkbox"/> Mr. Last Name First Name and Middle Initial <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms.	2. Your Social Security Number	3. Your Birth Date	4. Daytime Telephone No. ()
5. Enter Spouse's or Co-tenant's Full Name (Circle Which)	6. His/Her Social Security Number	7. His/Her Birth Date	
8. Present Address (Number and Street, Rural Route)	Apartment No.	City, Town, or Post Office	County Zip Code
9. Address in 2015 if Different from Above		City, Town, or Post Office	County Zip Code
10. Mailing Address if Different from Present Address		City, Town, or Post Office	State Zip Code
11. Did you reside in public housing in 2015? <input type="checkbox"/> Yes <input type="checkbox"/> No			
12. Marital Status <input type="checkbox"/> Single <input type="checkbox"/> Married (<input type="checkbox"/> Separated <input type="checkbox"/> Divorced <input type="checkbox"/> Widowed If so, date _____)			
13. Check one of the following which describes your rented residence: <input type="checkbox"/> Apartment Building Unit <input type="checkbox"/> Single Family House <input type="checkbox"/> Mobile Home Pad <input type="checkbox"/> Other (Specify)			
14. Applicant Status: <input type="checkbox"/> Age 60 or Over <input type="checkbox"/> Totally Disabled (Submit proof) <input type="checkbox"/> Surviving Spouse <input type="checkbox"/> Under Age 60 with Dependent Child			
15a. Enter the name and address of the management company or person to whom you paid rent for at least six months in 2015. List any other landlord on a separate sheet of paper.			
_____ Name of Management Company or Landlord.		_____ Address of Management Company or Landlord	
15b. Enter the name and address of the current management company or person to whom you are now paying rent.			
_____ Name of Management Company or Landlord.		_____ Address of Management Company or Landlord	
16. Do you rent from a person related to you (including In-Laws)? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, attach a photocopy of your lease.			
Relationship _____			
16a. Do you own any real estate in the State of Maryland or elsewhere? <input type="checkbox"/> Yes <input type="checkbox"/> No			

TURN OVER TO OTHER SIDE TO COMPLETE AND SIGN THE APPLICATION

DO NOT WRITE BELOW - OFFICE USE ONLY

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APPL. # _____

PLEASE COMPLETE OTHER SIDE OF APPLICATION FIRST ➡

17. List all household residents who lived with you in 2015. (If none, write NONE.) You must answer this question.

Name	Date of Birth	Social Security Number	Your Dependent? Yes or No	Relationship	2015 Income

If more space is needed, attach a separate list

18. Did or will you, and/or your spouse, file a Federal Income Tax Return for 2015? ☐ Yes ☐ No If yes, a copy of your return (and if married filing separately, a copy of your spouse's return) with all accompanying schedules must be submitted with this application.

19. AMOUNTS AND SOURCES OF INCOME IN 2015 PROOF OF ALL INCOME MUST BE ATTACHED (ATTACH COPIES - NOT ORIGINALS)	(1) APPLICANT	(2) SPOUSE/ CO-TENANT	(3) ALL OTHERS	OFFICE USE ONLY
Wages, Salary, Tips, Bonuses, Commissions, Fees.....				
Interest and Dividends (Includes both taxable and non-taxable).....				
Capital Gains (Includes non-taxed gains).....				
Rental Profits (Net) or Business Profits (Net) (Circle which)				
Room & Board paid to you by a nondependent resident				
Unemployment Insurance; Workers' Compensation (Circle which)				
Alimony; Support Money (Circle which)				
Public Assistance (Attach AIMS) or other Government Grants (Circle which).....				
Social Security (Attach copy of 2015 Form SSA-1099) If none, enter "0"				
S.S.I. Benefits for 2015 (Attach Proof)				
Railroad Retirement (Attach copy of 2015 Verification or Rate letter)				
Veteran's Benefits per year				
Other Pensions, Annuities, and IRAs per year (If a rollover, attach proof)				
Gifts over \$300; Expenses Paid by Others; Inheritances (Circle which)				
All Other Monies Received (Indicate Source)				
TOTAL INCOME, CALENDAR YEAR 2015				

20. Enter the amount of rent you paid each month in Maryland from January 1 through December 31, 2015 Total Rent for 2015 _____
 Jan. _____ Feb. _____ March _____ April _____ May _____ June _____
 July _____ Aug. _____ Sept. _____ Oct. _____ Nov. _____ Dec. _____

21. Do you receive any rent subsidy? ☐ No ☐ Yes, from whom _____

22. Which utilities or services were included in the monthly rent: If none, check None.

Utilities: ☐ Electric (other than for heat) ☐ Gas (other than for heat) ☐ Heat ☐ None
 Services: ☐ Meals ☐ Pet Fee ☐ Housecleaning/Medical ☐ Parking Garage Fee ☐ Other ☐ None

23. I declare under the penalties of perjury, pursuant to Sec. 1-201 of the Maryland Tax-Property Code Ann., that this application (including any accompanying forms and statements) has been examined by me and the information contained herein, to the best of my knowledge and belief, is true, correct and complete, that I have listed all monies received, and that my net worth is less than \$200,000. Further, I hereby authorize the Social Security Administration, Comptroller of the Treasury, Internal Revenue Service, the Income Maintenance Administration, Unemployment Insurance, the State Department of Human Resources, and the Credit Bureaus to release to the Department of Assessments and Taxation any and all information concerning the income or benefits received. I further authorize any landlord listed on this application to provide information about my rental agreement and occupants of the rental unit. I understand that the Department may request at a later date additional information to verify the amount of income reported on the form, and that independent verifications of the information reported may be made.

➡ Applicant's Signature _____

Date _____

Spouse's or Co-tenant's Signature _____

Name of Preparer Other Than Applicant _____

Date _____

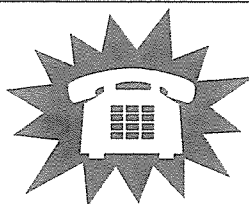
Telephone _____

Applications are processed in the order in which they are received if additional information is not required.

RETURN TO

Department of Assessments and Taxation
 Renters' Tax Credit Program
 301 W. Preston Street
 9th Floor, Room 900
 Baltimore, Maryland 21201

FOR INFORMATION CALL



Baltimore Metropolitan Area
 410-767-4433
 All Other Areas
 1-800-944-7403

THIS APPLICATION IS NOT OPEN TO PUBLIC INSPECTION - FILING DEADLINE IS SEPTEMBER 1, 2016



PRINCE GEORGE'S | COUNTY COUNCIL



State of Maryland **PROPERTY TAX CREDIT**

Information you need know

County Residents — you could be eligible for Property Tax Credits available through the State of Maryland's Department of Assessment and Taxation. Check your eligibility and then share this important news with a friend or neighbor! Learn more by visiting <http://dat.maryland.gov/Pages/Tax-Credit-Programs.aspx> or call the Tax Credits Telephone Service at 1-800-944-7403.

Homeowners' Property Tax Credit Program

For homeowners with a combined gross household income of \$60,000 or less, this program allows credits against the homeowners' property tax bill, but the taxes must exceed a fixed percentage of a person's gross income. It sets a limit on the amount of property taxes a homeowner must pay, based on income. Income is defined as the gross income before any deductions are taken. Nontaxable retirement benefits such as Social Security and Railroad Retirement must be reported as income. You must apply every year no later than September on a standard application supplied by the Department of Assessments and Taxation.

Example: If your combined household income is \$16,000, your tax limit is \$420. You would be entitled to receive a credit for any taxes above the \$420. You would be entitled to receive a credit for any taxes above the \$420. If your actual property tax bill is \$990, you would receive a tax credit in the amount of \$570, the difference between the actual tax bill and the tax limit.

Homestead Property Tax Credit

To help homeowners deal with large assessment increases on their principal residence, state law has established the Homestead Property Tax Credit. The Homestead Credit limits the increase in taxable assessments each year to a fixed percentage. Every county and municipality in Maryland is required to limit taxable assessment increases to 10% or less each year. Prince George's County has a 2% cap which further limits increases.

Check the status of your Homestead eligibility by looking up your property on the Real Property database:

<http://sdat.dat.maryland.gov/RealProperty/Pages/default.aspx>

You can also contact the Assessments Office at 301-952-2500 or visit:
<http://www.princegeorgescountymd.gov/pages/assessments.aspx>

Assessments Office/Courthouse
14735 Main Street
Upper Marlboro, MD 20772-3050

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14741 Governor Oden Bowie Drive, Upper Marlboro, Maryland 20772
Tel: (301) 952-3700 Fax: (301) 952-3238



PRINCE GEORGE'S | COUNTY COUNCIL

State of Maryland and Prince George's County **RENTERS' TAX CREDITS** and 24-Month Residential Leases for Seniors

The Prince George's County Council unanimously approved CB-95-2015, establishing a Renters' Property Tax Relief Supplement for qualifying County residents, and CB-59-2015, requiring that residential 24-month leases are offered to senior renters living in age-restricted facilities. These laws provide additional relief to County residents, especially seniors, enabling them to maintain their residency in Prince George's County.

Maryland Renters' Tax Credit Program

The State of Maryland Renters' Tax Credit Program provides Property Tax credits for renters who are age 60 and older or 100% disabled, and also meet certain income requirements. Under HB-340, passed by the Prince George's County Delegation and the Maryland General Assembly in the 2016 Legislative Session, renters can receive maximum tax relief up to \$1,000. This legislation also expands the statewide Renters Tax Credit program and increases the pool of eligible applicants. To get a credit for 2015, you must file by September 1st.

Contact the Maryland Department of Assessments and Taxation at 1-800-944-7403 or visit: <http://dat.maryland.gov/realproperty/Pages/Renters'-Tax-Credits.aspx>

24-Month Residential Leases for Seniors

Prince George's County seniors living in specified age-restricted housing can now enter into a 24-month lease agreement without incurring fees or rent increases for the term of the lease. Landlords are required to provide written notice about the 24-month period when entering into a new lease or a renewal lease. For more information, contact Code Enforcement Officer Ann Keys at the County's Department of Permitting, Inspections and Enforcement (DPIE), 301-883-6058.

Prince George's County Renters' Property Tax Relief Supplement

The Prince George's County Council, aware that residents who qualify for the State's Renters' Tax Credit Program are already stretched financially, also passed CB-95-2015. Prince George's County will automatically provide a Renters' Property Tax Relief Supplement to each resident who qualifies for the State Renters' Tax Credit. The County Supplement is 50% of the State payment, and will be dispersed in late spring of each year. No additional application is required. If you have additional questions, please contact the Office of Finance, Treasury Division, at 301-952-4030.

Example: If you qualify for a State of Maryland Renters' Tax Credit of \$400, you will automatically receive a tax credit of \$200 from Prince George's County for a total of \$600.

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6/14/16
cc: Council